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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

**ADAM SCHULTHEIS &
CYNTHIA SCHULTHEIS**

Debtor(s).

Chapter 13 Proceedings
Case No.: BK-S-07-11832-LBR

Date: 6/11/2009
Time: 3:30 p.m.

**MOTION TO VALUE COLLATERAL, "STRIP OFF" AND MODIFY RIGHTS
OF BANK OF AMERICA (SECOND MORTGAGE) PURSUANT TO
11 U.S.C. §506(a) AND §1322**

Comes Now the Debtors, **ADAM & CYNTHIA SCHULTHEIS** (hereinafter the
"debtors"), by and through THE LAW OFFICES OF RANDOLPH H. GOLDBERG, and
respectfully move this Court pursuant to 11 U.S.C. §506(a), and §1322, and Bankruptcy Rules
3012 and 9014.

STATEMENT OF FACTS

1. Debtors filed the instant Chapter 13, Case Number **07-11832** on **APRIL 5, 2007**.
2. As of the date of filing, debtors owned real property located at **1327 BAYLEAF TERRACE AVENUE, HENDERSON, NEVADA 89014** (hereinafter the "Subject Property").

Uniform Residential Appraisal Report

NA209012301PRV

File # NA209012301PRV

There are +/-25 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 312,000 to \$ 569,000	
There are +/-19 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 329,900 to \$ 579,999	
FEATURE	SUBJECT
Address	1327 Bayleaf Terrace Avenue Henderson, NV 89014-8867
Proximity to Subject	0.22 miles S
Sale Price	\$ N/A (Refi)
Sale Price/Gross Liv. Area	\$ 77.87 sq.ft.
Data Source(s)	Public Records/MLS#850562
Verification Source(s)	Doc#20081202-04322/DOM:86
VALUE ADJUSTMENTS	DESCRIPTION +(-) \$ Adjustment
Sales or Financing	Conventional
Concessions	\$7,050 to buyer
Date of Sale/Time	12/20/2008
Location	Residential St
Leasehold/Fee Simple	Fee Simple
Site	6,664 SF
View	Area/Typ/Avg
Design (Style)	2Stry/Convent.
Quality of Construction	Average
Actual Age	1996 (12 yrs)
Condition	Above Avg
Above Grade	Total Bdrms. Baths
Room Count	7 5 3
Gross Living Area	2,982 sq.ft.
Basement & Finished	None
Rooms Below Grade	None
Functional Utility	Average
Heating/Cooling	FAU/Central
Energy Efficient Items	Standard
Garage/Carport	3 Car Gar B/in
Porch/Patio/Deck	CvdPor/CvdPatio
Fireplaces	1 Fireplace
Landscaping	Front/Rear
Pool/Spa	Pool/Spa
Net Adjustment (Total)	\$ +15,000
Adjusted Sale Price	Net Adj. 6.4 %
of Comparables	Gross Adj. 6.4 %
<input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data Source(s) Greater Las Vegas Multiple Listing Service & Clark County Public Records	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data Source(s) Greater Las Vegas Multiple Listing Service & Clark County Public Records	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	No previous sales or listings
Price of Prior Sale/Transfer	in previous 36 months.
Data Source(s)	Public Records
Effective Date of Data Source(s)	01/26/2009
Analysis of prior sale or transfer history of the subject property and comparable sales A search of the local MLS revealed that there have been no 'sales' of the property within the past 36 months. No other sales or listings were noted for the subject property within the past 36 months. Some of the comparable sales were noted to have recorded 'trustees deed' as the homes were transferred back to the lienholder (foreclosure) and then were relisted on the open market and sold.	
Summary of Sales Comparison Approach Within the subject subdivision there are currently 2 listings noted to be 'short sales' listed at \$230,000. These homes are listed below market values and were noted to have no inground pools. The appraiser has noted that those sales within inground pools are considered to be more comparable to the subject in size, design, appeal, and other features. The lowest listing in the subject market area of similar size w/an inground pool is a bank-owned home listed at \$270,000 (see attached supplementary MLS information). Therefore, this information was considered but not emphasized. Those sales emphasized were noted to have similar features, appeal and amenities (inground pools). Adjustments were made to the comparable sales for differences in living area, lot size, bath count, fireplaces, overall quality, and other differences. All net and gross adjustment percentages are within their recommended limits. The appraiser emphasized the lower end of adjusted sales range due to the competitive market. All sales were noted to be 'arms-length' transactions and have closed within the past 4 months.	
Indicated Value by Sales Comparison Approach \$ 280,000	
Most weight is given to the Sales Comparison Analysis; as it best reflects the actions of buyers and/or sellers in the marketplace. Income Approach is not used as the property is not income producing and the Cost Approach was not part of the scope of work.	
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. This is a summary appraisal report.	
The subject is appraised "AS IS" with no repairs or conditions present.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 280,000, as of 01/24/2009, which is the date of inspection and the effective date of this appraisal.	

Uniform Residential Appraisal Report

NA209012301PRV
File # NA209012301PRV

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The appraiser has utilized the extraction method where possible; however, it is important to note that throughout the Las Vegas Valley, individual parcels are not in adequate supply because most home construction occurs by builders who include the cost of the lot with each offered home. Therefore there is a lack of sufficient individual parcel land sales to provide specific land/parcel sales.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	125,000
Source of cost data Appraiser's Files and Local Builder's Data	DWELLING 2,982 Sq.Ft. @ \$	= \$	
Quality rating from cost service Effective date of cost data	None Sq.Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	CvdPor/CvdPa/CBWII/Lndscpg	= \$	
COST APPROACH NOT PART OF SCOPE OF WORK.	Garage/Carport 560 Sq.Ft. @ \$ 0	= \$	
	Total Estimate of Cost-New	= \$	
	Less Physical Functional External		
	Depreciation	= \$()
	Depreciated Cost of Improvements	= \$	
	As-is Value of Site Improvements	= \$	
Estimated Remaining Economic Life (HUD and VA only)	Years	INDICATED VALUE BY COST APPROACH	= \$

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$	N/A	X Gross Rent Multiplier	N/A	= \$	Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM)	N/A				

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No Unit type(s) ☒ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project N/A

Total number of phases N/A Total number of units N/A Total number of units sold N/A

Total number of units rented N/A Total number of units for sale N/A Data source(s) N/A

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion. N/ADoes the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source N/AAre the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion. N/AAre the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options. N/A

Describe common elements and recreational facilities. N/A

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

NA209012301PRV
File # NA209012301PRV**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

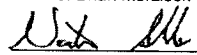
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER J. Brian Merzlock

Signature 
 Name J. Brian Merzlock
 Company Name Appraisal 2000 LLC
 Company Address 2538 Vera Cruz Circle, Henderson, NV 89074
 Telephone Number (702) 597-5229
 Email Address appraisal2000@msn.com
 Date of Signature and Report 01/27/2008
 Effective Date of Appraisal 01/24/2009
 State Certification # _____
 or State License # NVA.0006817-RES
 or Other (describe) _____ State # _____
 State NV
 Expiration Date of Certification or License 6/30/2010

ADDRESS OF PROPERTY APPRAISED

1327 Bayleaf Terrace Avenue
Henderson, NV 89014-8867

APPRAISED VALUE OF SUBJECT PROPERTY \$ 280,000

LENDER/CLIENT

Name Adam & Cynthia A Forcey Schultheis
 Company Name Adam Schultheis
 Company Address 1327 Bayleaf Terrace Avenue, Henderson, NV 89014
 Email Address caforcey@cox.net

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

Uniform Residential Appraisal Report

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File # NA209012301PRV

FEATURE		SUBJECT		COMPARABLE SALE #4		COMPARABLE SALE #5		COMPARABLE SALE #6	
Address		1327 Bayleaf Terrace Avenue Henderson, NV 89014-8867		1100 Teal Point Drive AP #178-10-314-066		1146 Port Sunlight Court AP #178-10-614-025		275 Violet Note Street AP #178-10-720-024	
Proximity to Subject				0.22 miles S		0.22 miles S		0.22 miles S	
Sale Price		\$ N/A (Refi)		\$ 310,000		\$ 335,000		\$ 319,500	
Sale Price/Gross Liv. Area		\$ sq.ft.		\$ 98.13 sq.ft.		\$ 111.00 sq.ft.		\$ 102.90 sq.ft.	
Data Source(s)				Public Records/MLS#857729		Public Records/MLS#848135		Public Records/MLS#873170	
Verification Source(s)				Doc#20081216-01081/DOM:82		Doc#20081001-00200/DOM:4		Doc#20081001-00200/DOM:4	
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION + (-) \$ Adjustment		DESCRIPTION + (-) \$ Adjustment		PENDING SALE / DOM: 56 DESCRIPTION + (-) \$ Adjustment	
Sales or Financing				FHA		Conventional		FHA	
Concessions				None Noted		\$20,100 to buyr -9,600		None Noted	
Date of Sale/Time				12/16/2008		10/01/2008		EstCoe:1/30/09	
Location		Residential St		Residential St		Residential St		Residential St	
Leasehold/Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site		6,664 SF		6,601 SF		6,630 SF		6,948 SF	
View		Area/Typ/Avg		Area/Typ/Avg		Area/Typ/Avg		Area/Typ/Avg	
Design (Style)		2Stry/Convent.		Conv/2Stry/Avg		Conv/2Stry/Avg		Conv/2Stry/Avg	
Quality of Construction		Average		Average		Average		Average	
Actual Age		1996 (12 yrs)		1997 (12 yrs)		1998 (11 yrs)		2001 (8 yrs)	
Condition		Above Avg		Similar		Similar		Similar	
Above Grade		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
Room Count		7 5 3		10 6 3		7 5 3		9 4 3	
Gross Living Area		2,982 sq.ft.		3,159 sq.ft.		3,018 sq.ft.		3,105 sq.ft.	
Basement & Finished		None		None		None		None	
Rooms Below Grade		None		None		None		None	
Functional Utility		Average		Average		Average		Average	
Heating/Cooling		FAU/Central		FAU/Central		FAU/Central		FAU/Central	
Energy Efficient Items		Standard		Standard		Standard		Standard	
Garage/Carport		3 Car Gar B/in		3 Car Gar, b/in		3 Car Gar, b/in		3 Car Gar, b/in	
Porch/Patio/Deck		CvdPor/CvdPat		Porch/CvdPatio		Porch/CvdPatio		Porch/CvdPatio	
Fireplaces		1 Fireplace		1 Fireplace		1 Fireplace		1 Fireplace	
Landscaping		Front/Rear		Front/Rear		Front/Rear		Front/Rear	
Pool/Spa		Pool/Spa		None Noted		Pool/Spa		Pool	
Net Adjustment (Total)				+15,000		-9,600		-4,305	
Adjusted Sale Price				\$ 8,805		\$ -9,600		\$ -4,305	
of Comparables				Net Adj. 2.8 %		Net Adj. 2.9 %		Net Adj. 1.3 %	
				Gross Adj. 6.8 %		Gross Adj. 2.9 %		Gross Adj. 1.3 %	
				\$ 318,805		\$ 325,400		\$ 315,195	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).									
ITEM		SUBJECT		COMPARABLE SALE #4		COMPARABLE SALE #5		COMPARABLE SALE #6	
Date of Prior Sale/Transfer		No previous sales or listings		No other sales or listings		Recorded value 10/23/06		Trustees Deed 06/13/08	
Price of Prior Sale/Transfer		in previous 36 months.		within the past 36 months		for \$499,900 (doc#02557)		for \$328,500 (doc#02337)	
Data Source(s)		Public Records		Public Records		Public Records		Public Records	
Effective Date of Data Source(s)		01/26/2009		01/26/2009		01/26/2009		01/26/2009	
Analysis of prior sale or transfer history of the subject property and comparable sales The subject property had a recorded value of \$290,000 (doc# 00475) on 01/01/05. A search of the local MLS revealed that there have been no 'sales' of the comparable sales within the past 12 months.									
Analysis/Comments									

Supplemental Addendum

File No. NA209012301PRV

Borrower/Client	Schultheis, A J & C A				
Property Address	1327 Bayleaf Terrace Avenue				
City	Henderson	County	Clark	State	NV
Lender	Adam Schultheis	Zip Code	89014-8867		

PUD AND SPECIAL ASSESSMENT COMMENTS

The subject property is located within the Emerald Valley tract home development which was noted to accompany yearly dues of \$57.00/quarter (Homeowner's Association Dues) for the maintenance and upkeep of the common elements within the subject development. These elements include entry sign/cartel, perimeter walls, common areas, and management of the homeowner's association.

SITE COMMENTS

The general topography of the subject property is level, with the subject's built-up/engineered pad noted to have a slight (downward) contour around the perimeter of the dwelling and a sufficient overhang along the roof line, as to assist in drainage and/or diverting water away from the structure/improvements. Typical of the area, the slight gradient is not noted to affect the usability and/or utility of the site area. The subject property is situated on a rectangular lot, typical in size for the neighborhood. The dimensions of the lot are approximate measurements according to the subdivision plat map and as indicated on public records.

Exterior on-site improvements noted upon inspection, include: entry covered porch, concrete block walls on the side/rear property lines, extended covered concrete patio, a concrete walkway leading from the driveway to the front of the home, large inground pool and spa, front and rear landscaping, and a concrete driveway (two-car capacity).

The subject's title report was not viewed.

ADDITIONAL FEATURES

The subject's two-story, conventional style dwelling was noted to have the following special features upon inspection of the interior: ceramic tile flooring in the entry, kitchen, nook, and spare bathroom; carpet and pergo flooring in the living room, family room, main bathroom, and bedrooms; large dining room; great room with media niche and; kitchen has granite counters and new stainless steel appliances; bathrooms have corian counters and new ceramic tile wainscot; ceiling fans; fresh paint; built-ins; custom lighting; window treatment; automatic garage door opener, and a 40 gallon water heater.

The subject property was noted to have been updated with current finishes, newer custom paint throughout, and upgraded flooring. This is not only noted to enhance the overall appeal and quality of the subject home but also increase its overall marketable value as noted within this report. Therefore, those sales that were noted to be inferior in upgrades and amenities were adjusted upwards for differences in upgrades. Upgrades and superior finishes are typically noted to increase the properties appeal and marketability when compared with homes with 'standard/base' upgrades consisting of inferior quality finishes.

DEPRECIATION COMMENTS

The subject property is considered to be in 'Above Average' overall condition. No external or functional depreciation noted.

COMMENTS ON THE SALES COMPARISON ANALYSIS

A comprehensive search was performed to find the most recent sales of similar and/or match type properties to that of the subject residence. In the selection process, careful consideration was given to location, neighborhood amenities, age, quality of construction and living area. The recited comparables are the most recent sales in the "market" area and considered to be the most representative of the subject "market".

Data for the Sales Comparison Analysis was obtained through the use of the local Multiple Listing Service (MLS), Tax Star, Transamerica Intellitech, Inc. (MetroScan), Title companies, Realtors, Sales Associates and/or office files. - Should any error or omission be subsequently discovered, this appraiser reserves the right to modify the report.

The following appraisal methods and techniques were utilized in arriving at the Final Estimate of Value:

- All available data sources were researched for comparable sales, economic trends, physical conditions which have or might have an adverse impact upon the subject property, and other information pertinent in this appraisal.
- A physical inspection of the subject property was performed. Observations of physical condition and functional obsolescence were taken into consideration and a sketch of the improvements was made.
- An exterior inspection of the comparable properties was made and three or more were selected as being most similar to the subject property and utilized as comparable sales.
- A detailed review and analysis of all pertinent data was made and a final opinion of value was determined.
- The report and all pertinent exhibits and addenda were prepared and transmitted to the client.

ADDITIONAL MARKET COMMENTS

Supplemental Addendum

File No. NA209012301PRV

Borrower/Client	Schultheis, A J & C A
Property Address	1327 Bayleaf Terrace Avenue
City	Henderson
County	Clark
State	NV
Zip Code	89014-8867
Lender	Adam Schultheis

Per the Greater Las Vegas MLS, the number of available or listed properties in the single family housing market has increased since this time leading to a stabilizing period - resulting in a increased supply of available listings and current homeowner's retaining property, satisfied with the increased appreciation in the market. For this reason the appraiser has used sales that are less than 3 months old and emphasized those sales which indicate good representatives of the subject in the marketplace. The appraiser has also included some listings and/or 'pending' sales to further support current market conditions and values

The selection of the comparable sales was based upon the limited number of one and two story homes within the immediate area of similar size, condition, and upgrades. There has been only 3 sales within a 1.5 mile radius of similar size homes in the immediate area. There have been very few recent sales. The appraiser has included those sales that are most similar and recent in the area.

Comparables Summary & Estimated Indicated Value

	Sale Price	Grs Adj %	Ind Value	Weight
Comp #1:	235,000	6.383	250,000	14.9811
Comp #2:	300,000	2.76	291,720	17.8298
Comp #3:	300,000	6.41	310,770	14.9598
Comp #4:	310,000	6.2032	320,770	15.1224
Comp #5:	335,000	2.8657	325,400	17.7467
Comp #6:	319,500	0.8138	316,900	19.3601

ESTIMATED INDICATED VALUE OF THE SUBJECT : 303,564
 INDICATED VALUE OF THE SUBJECT : 280,000

Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject.

Sale #1 is a similar size home noted to have an inground pool. Sale #1 was noted to have an extremely motivated seller facing foreclosure and so the property was purchased below current market value. Sale #2 and #3 are very similar to the subject - these sales were emphasized in determining the indicated value. Sales #4 - #6 are similar size homes that were included to provide ALL sales within the immediate area that are similar and have occurred in the previous 3 months. The final indicated value is bracketed inside the adjusted sales figures for each of the comparable sales included in the sales comparison grid.

Due to all upgrades and condition of the home, the appraiser has placed emphasis on the higher sales and these are most similar to the subject.

All adjustments were either extracted from the market using paired sales or they were based on depreciated cost figures provided by the Marshall & Swift Residential Cost Handbook. Adjustments were made for differences in lot size, square footage, upgrades/additional features, age, and exterior site amenities (pool, etc). An across the grid adjustment was included because all of the most recent sales were noted to have inground pools. Most of the homes in the area of this size do have inground pools. The sales were adjusted downward accordingly for having the pools.

After review of a market analysis for the subject property, some (improvement) variances were minimized due to conformity and preference, and/or no significant changes in value were noted for differences in sales date, financing types, view, elevation, roof coverings; thus, no adjustments were made within the Sales Comparison Analysis.

Financing options include partial seller financing at rates similar to conventional rates and up to 3.0 seller paid points towards non-recurring closing costs without an apparently measurable market impact on sales prices.

Supplemental Addendum

File No. NA209012301PRV

Borrower/Client	Schultheis, A J & C A			
Property Address	1327 Bayleaf Terrace Avenue			
City	Henderson	County	Clark	State NV Zip Code 89014-8867
Lender	Adam Schultheis			

SCOPE OF THE APPRAISAL

The following steps were followed in arriving at the final value estimate included in this report assembly of the subject property:

- 1) After receiving the assignment, a preliminary search of all resources customary to the appraisal of residential real estate was made to determine general market trends, influences and other significant factors pertinent to the subject property.
- 2) A physical inspection of the property was performed. Although due diligence was exercised while at the subject property, the Appraiser is not an expert in such matters as pest control, structural engineering, hazardous waste, etc. No warranty is given relating to the presence of these elements and their effect, if any, on the value of the subject property except as otherwise noted. As needed, inspections by various professionals within these fields might be recommended with the final value estimate subject to their findings.
- 3) A second review of the data was then performed with the most relevant factors extracted and considered. Sales were examined and discussed with parties involved in the transactions or from public record or other sources as deemed reliable. Market factors were weighted and their influence on the subject property estimated.
- 4) The appraisal report was then delivered to the client on January 29, 2009 which constituted completion of the assignment. The effective date of this appraisal is the date the subject property was inspected, January 24, 2009.

The appraisal report was prepared at the request of the client.

MARKET VALUE

The appraisal is based upon the definition of fair market value as set forth in Section 34.42 (f) of the office of the comptroller (OCC) and the uniform standards of professional appraisal practice. Market value is defined by all five federal agencies and the RTC.

Informed entities viewing this report should understand the relationship between the accounting term "fair value" and the appraisal term "market value" and be in a position to clarify the use of these terms for their common clients.

WARRANTIES AND INDEMNITY

Appraiser does not make any warranties or guarantees of any kind regarding the condition of the property, sufficiency of title, areas and boundaries, mechanical and structural conditions of the improvements, and with the agreement that the Appraisal Report represents Appraiser's opinion of value only, without any warranty that the property will sell for the appraised value. Client agrees to indemnify Appraiser, his employees, and independent contractors from all claims, suits, and charges of any nature that may arise out of this agreement.

Notice: errors and omissions will be corrected in all original signed copies if reported in a written request to the appraiser.

FINAL VALUE CONCLUSIONS

All of the comparables were given consideration and weight in the valuation process. All of the comparables are located within the same general market area as the subject. Adjustments were based upon the estimated market reaction for the significant differences and do not include every difference. The Market Approach is still the most reliable approach available to the appraiser and will remit in a reasonable value estimate.

ENVIRONMENTAL DISCLOSURE

The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas the appraiser cannot see. If further concern exists, then a professional home inspection or environmental inspection is recommended.

No environmental assessment for the subject site or neighborhood was undertaken. The existence of hazardous substances, including Asbestos, Molds, Polychlorinated Biphenyl's, petroleum leakage or agricultural chemicals is not known to be present on the subject site. The site inspection did not reveal any signs, which would reveal such conditions. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. Further, the appraiser is not qualified to test such substances as stated above. If the presence of such substances such as Asbestos, Urea Formaldehyde, foam insulation, etc. are present, the value of the property may be affected. The value estimated is predicted on the assumption that there is no such condition on or in the property or in proximity to the subject that would cause a loss in value. No responsibility is assumed for any conditions or for my expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate should there be any questions regarding this matter.

Supplemental Addendum

File No. NA209012301PRV

Borrower/Client	Schultheis, A J & C A				
Property Address	1327 Bayleaf Terrace Avenue				
City	Henderson	County	Clark	State	NV Zip Code 89014-8867
Lender	Adam Schultheis				

APPRAISAL DISPUTES

The appraiser has completed this report to the best of his professional ability and reserves the right to change/modify this report without contest. Any dispute that may arise regarding the indicated value and/or the selection of available sales and/or request for additional sales and/or rebuttal from desk or field reviews as a result of this report and/or significant modifications regarding the Comparable Sales Analysis, may require an additional fee and documentation of disputing evidence.

The appraiser will not address undocumented/hasty generalizations or 'opinions' developed by individuals who may be familiar with the appraisal process but are not experienced or 'localized' with the Las Vegas market or who have limited information restricted to 'public information' only.

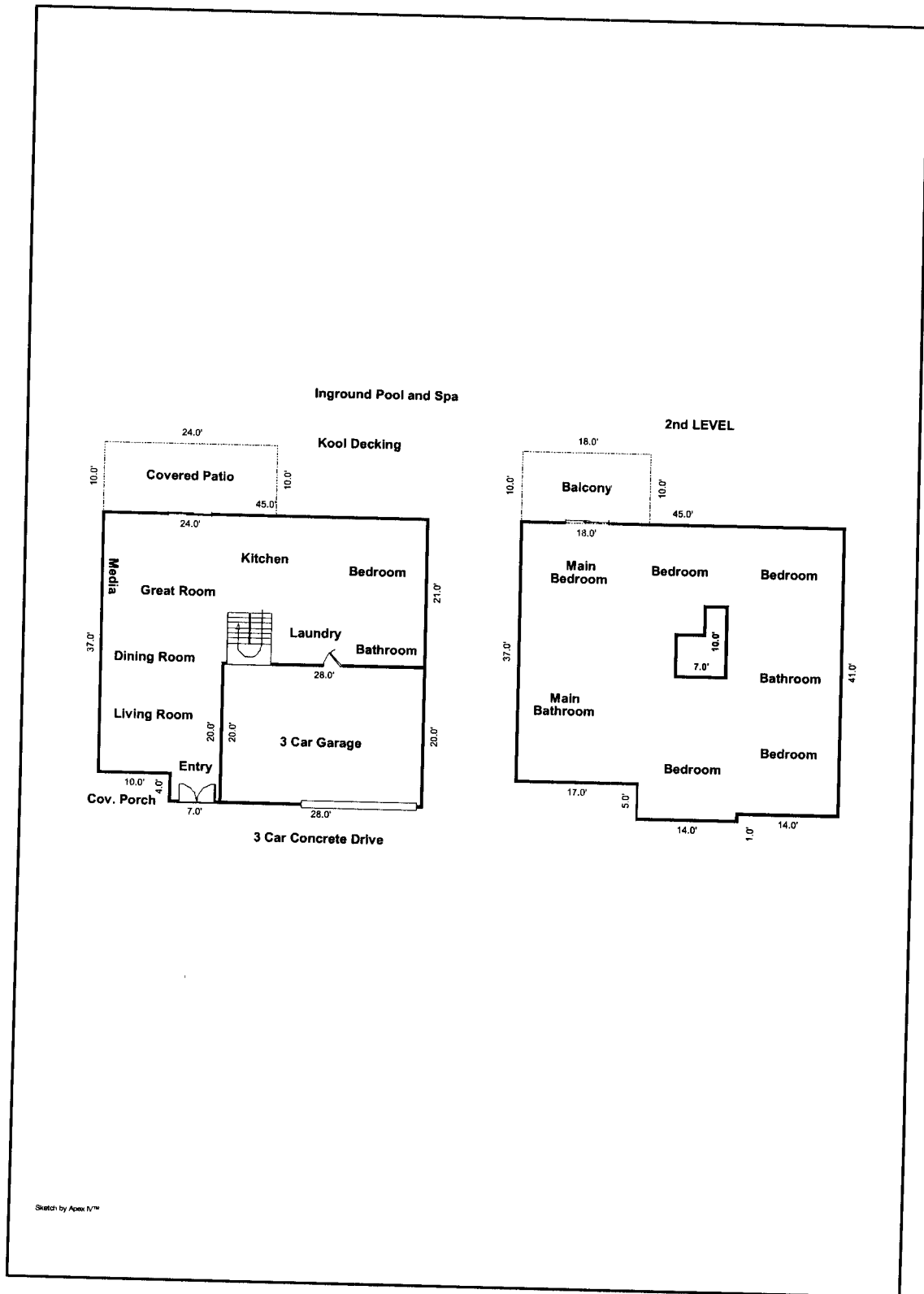
The appraiser is well educated in the appraisal process and has supported documentation/justification to support the appraisal process and the final value derived from the appraisal process. Therefore, the appraiser is not responsible/liable for additional changes or modifications for those items/reasons listed above. The appraiser liable for the delay as a result of any review or additional requirements requested by the client.

DIGITAL SIGNATURE DISCLOSURE

This appraisal report was digitally signed with direct authorization and control of the appraiser. The signature is authorized exclusively by Nathan P Sellers. The digital signatures carry the same level of authenticity as an ink signature.

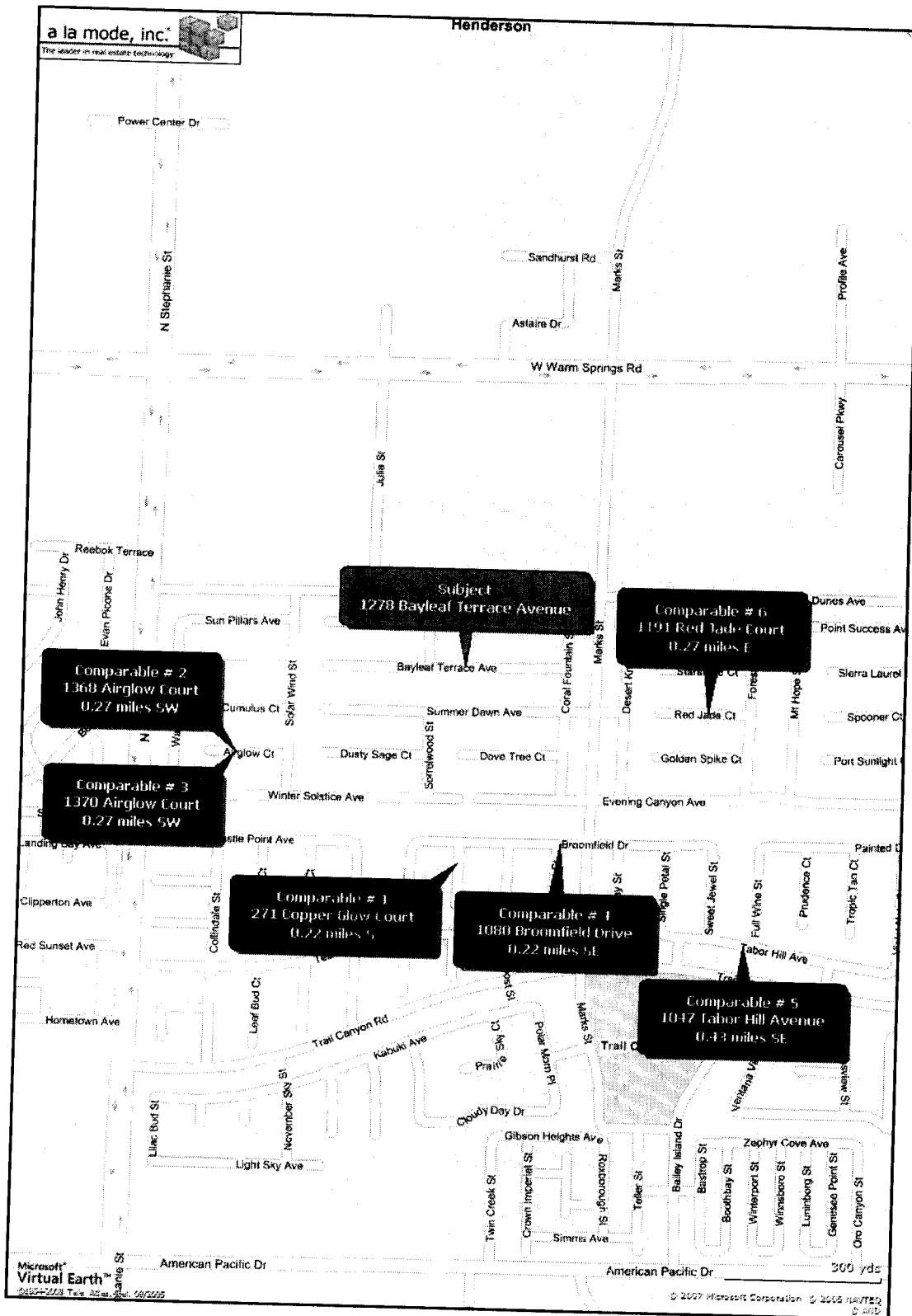
Building Sketch

Borrower/Client	Schultheis, A J & C A				
Property Address	1327 Bayleaf Terrace Avenue				
City	Henderson	County	Clark	State	NV
Lender	Adam Schultheis			Zip Code	89014-8867



Location Map

Borrower/Client	Schultheis, A J & C A			
Property Address	1327 Bayleaf Terrace Avenue			
City	Henderson	County	Clark	State NV
Lender	Adam Schultheis	Zip Code	89014-8867	



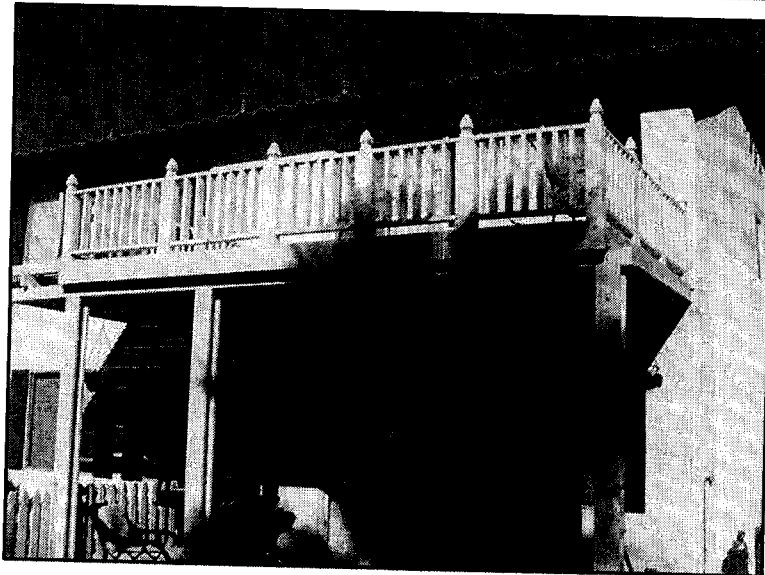
Subject Photos

Borrower/Client	Schultheis, A J & C A				
Property Address	1327 Bayleaf Terrace Avenue				
City	Henderson	County	Clark	State	NV
Lender	Adam Schultheis	Zip Code	89014-8867		

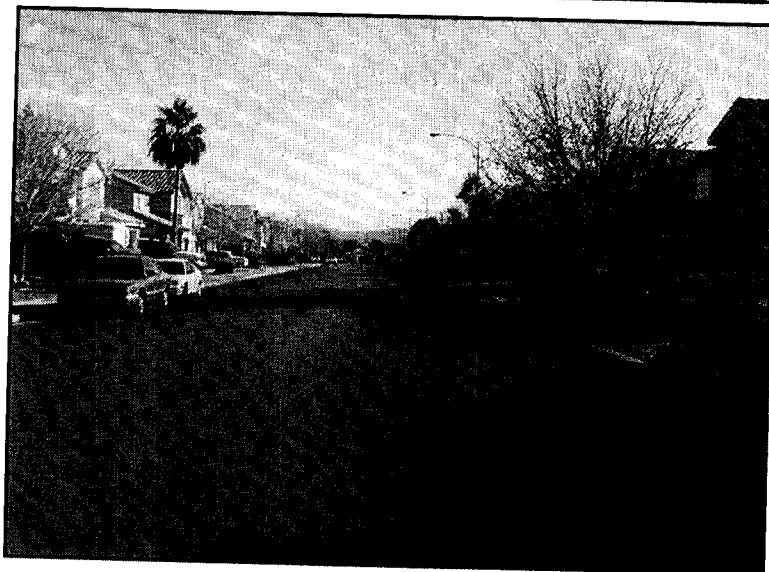


Subject Front

1327 Bayleaf Terrace Avenue
Sales Price N/A (Refi)
GLA 2,982
Total Rooms 7
Total Bedrms 5
Total Bathrms 3
Location Residential St
View Area/Typ/Avg
Site 6,664 SF
Quality Average
Age 1996 (12 yrs)



Subject Rear



Subject Street

Comparable Photo Page

Comparable Photo Page

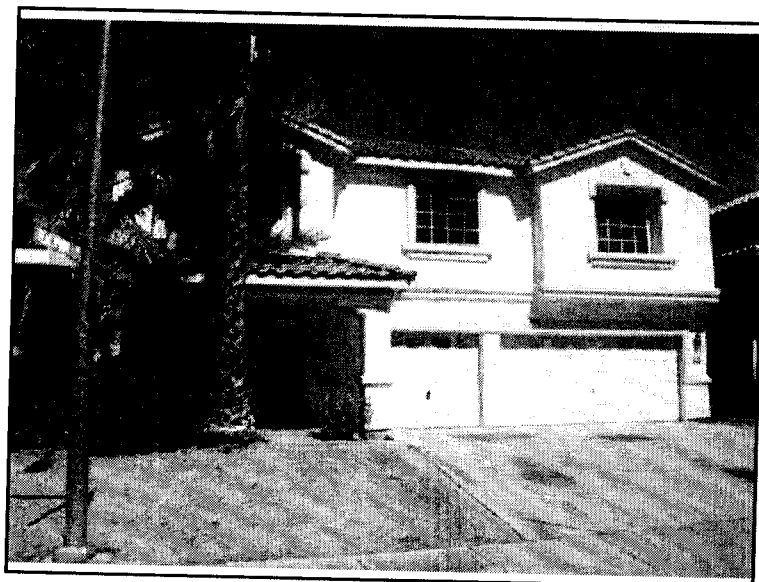
Borrower/Client	Schultheis, A J & C A						
Property Address	1327 Bayleaf Terrace Avenue						
City	Henderson	County	Clark	State	NV	Zip Code	89014-8867
Lender	Adam Schultheis						

**Comparable 1**

1318 Bayleaf Terrace Avenue
Proximity 0.22 miles S
Sale Price 235,000
GLA 3,018
Total Rooms 7
Total Bedrms 5
Total Bathrms 3
Location Residential St
View Area/Typ/Avg
Site 6,017 SF
Quality Average
Age 1996 (13 yrs)

**Comparable 2**

1135 Port Sunlight Court
Proximity 0.27 miles E
Sale Price 300,000
GLA 3,294
Total Rooms 7
Total Bedrms 5
Total Bathrms 3
Location Residential St
View Area/Typ/Avg
Site 6,695 SF
Quality Average
Age 1998 (11 yrs)

**Comparable 3**

256 Flirtation Court
Proximity 0.22 miles S
Sale Price 300,000
GLA 3,159
Total Rooms 10
Total Bedrms 6
Total Bathrms 3
Location Residential St
View Area/Typ/Avg
Site 8,281 SF
Quality Average
Age 1997(12 yrs)

Comparable Photo Page

Borrower/Client	Schultheis, A J & C A				
Property Address	1327 Bayleaf Terrace Avenue				
City	Henderson		County	Clark	
Lender	Adam Schultheis		State	NV	Zip Code 89014-8867



Comparable 4

1100 Teal Point Drive
 Proximity 0.22 miles S
 Sale Price 310,000
 Borrower/Clien3,159
 Lender 10
 Total Bedrms 6
 Total Bathrms 3
 Location Residential St
 View Area/Typ/Avg
 Site 6,601 SF
 Quality Average
 Age 1997 (12 yrs)



Comparable 5

1146 Port Sunlight Court
 Proximity 0.22 miles S
 Sale Price 335,000
 GLA 3,018
 Total Rooms 7
 Total Bedrms 5
 Total Bathrms 3
 Location Residential St
 View Area/Typ/Avg
 Site 6,630 SF
 Quality Average
 Age 1998 (11 yrs)



Comparable 6

275 Violet Note Street
 Proximity 0.22 miles S
 Sale Price 319,500
 GLA 3,105
 Total Rooms 9
 Total Bedrms 4
 Total Bathrms 3
 Location Residential St
 View Area/Typ/Avg
 Site 6,948 SF
 Quality Average
 Age 2001 (8 yrs)